NEWS RELEASE

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STATES SUE DEPARTMENT OF ENERGY FOR FAILING CONSUMERS ON ENERGY STANDARDS

A coalition of 15 states and the City of New York today sued the federal Department of Energy for violating Congressionally enacted mandates to adopt stronger energy-saving standards for 22 common appliances that use large amounts of electricity, natural gas and oil by clearly specified deadlines stated in the law.

The standards sought by the lawsuit, according to the federal government's own numbers, would generate substantial savings for consumers and reduce air pollution and global warming emissions from power plants.

New York Attorney General Eliot Spitzer said: "As oil and gas prices hit record levels and the impacts of global warming become more apparent, it is profoundly disappointing that the federal government has failed to adopt these crucial energy saving standards. The law requires it, and common sense dictates it. These standards will save energy and money for consumers and help protect our health and environment."

California Attorney General Bill Lockyer said: "Energy efficient appliances help protect the environment and our pocketbooks. These conservation goals are simply common sense."

Connecticut Attorney General Richard Blumenthal said: "How reprehensible for federal officials to disregard these cost-savings energy standards - at precisely the moment when consumers most need real price relief. Consumers should feel mocked and outraged by this purposeful federal failure when they pay spiraling charges. The federal government's inaction is inexplicable, inexcusable, and anti-consumer. The cost-saving technology is widely available; failure to use it is folly."

Illinois Attorney General Lisa Madigan said: "Efficient appliances benefit everyone. They save money for consumers, conserve scarce resources, and reduce damage to the environment. Particularly in these times of shortage and spiraling energy prices, there is no excuse for delaying efficiency standards."

Maine Attorney General G. Steven Rowe said: "Federal law required the Department of Energy to update energy efficiency standards for many kinds of appliances by deadlines that have long since passed. These modern efficiency standards would reduce demand for electricity, decrease our dependence on foreign oil and save consumers money on their utility bills. As energy costs spiral out of control, there is no excuse for the Federal government's continued foot-dragging and inaction."

Massachusetts Attorney General Tom Reilly said: "The need for strong national energy efficiency standards has never been more apparent. It's time for the Department of Energy to do its job and create standards that will not only benefit our environment but consumers who will spend less to keep their homes running."

New Hampshire Attorney General Kelly A. Ayotte said: I am taking this action to protect New Hampshire's consumers from higher energy bills, increased air and water pollution from power plants and reduced energy security. As natural gas and home heating oil prices hit record highs, the federal government's failure to meet its obligation to revise energy efficiency standards for common appliances calls out for prompt action. I urge the federal government to respond with a timely schedule for compliance with the law."

New Mexico Attorney General Patricia A. Madrid said: "New Mexicans have recently been told that they can expect their heating bills to increase up to 30% this winter due to an increase in natural gas prices. On top of this, consumers are faced with record high costs for oil and gasoline. This is a time when energy savings measures are most needed. This is not the time for the federal government to turn aside cost efficient approaches to saving energy."

Wisconsin Attorney General Peg Lautenschlager said: "The Administration's failure to act on

these standards will have a devastating effect on Wisconsin consumers as we head toward winter. With fuel prices rocketing out of control and other energy costs rising, it's critical we demand enforcement of the energy efficiency standards as soon as possible."

New York City Corporation Counsel Michael Cardozo said: "This lawsuit is an important energy savings measure for all New York City residents. It will also advance the City's – as well as overall environmental – interests by increasing efficiency of consumer and commercial appliances. New York City residents and businesses pay some of the highest energy prices in the country. In addition, the City suffers from high levels of ozone and fine particulate matter. Forcing the Department of Energy to revise the efficiency standards for these products, as it is required by law to do, will benefit the City's residents and businesses in terms of both energy costs and air quality."

Congress directed the Department of Energy to strengthen efficiency standards for a wide range of household and commercial products, including furnaces, water heaters, clothes washers, dryers, air conditioners, dishwashers, heat pumps, motors, ranges, ovens, motors and lamps.

Congress established initial efficiency standards for most of the products, and directed the Department of Energy periodically to review and strengthen them. For the remaining products the Department of Energy is to establish the initial efficiency standards and also periodically strengthen them.

The Department of Energy is six to thirteen years behind schedule and has not adopted any appliance efficiency standards since January 2001.

Appliance efficiency standards capitalize on improved technology and require that the covered appliances use less electricity, gas or oil while providing the same or improved levels of service and reliability. In the past, both the federal government and industry have agreed that national efficiency standards are among the fairest and most cost-effective way to reduce the use of energy.

Based on the Department of Energy's estimates, the average annual energy savings would meet the total annual energy needs of between 3 million to 12 million American households, depending on how fast the new standards are phased in and what the new standards are. Annual electricity savings alone would approximately equal to the output of 13 - 42 large power plants.

Energy efficiency experts estimate that existing federal appliance efficiency standards are expected by 2010 to lower electricity costs by over \$20 billion per year. The new and strengthened standards that Congress required and that the states are suing to implement would increase those savings.

The states wrote to the Department of Energy on July 1, 2005, requesting that it comply with the law and commit to a binding schedule for the establishment of stronger efficiency standards.

They alerted the agency that without such a schedule, the states would commence federal litigation. To date, the Department of Energy has not responded to the letter.

Katherine Kennedy of Natural Resources Defense Council, Inc., which joined with the Massachusetts Union of Public Housing Tenants and Texas Ratepayers' Organization to Save Energy in filing a parallel lawsuit to enforce the energy efficiency deadlines, said: "At a time when high energy prices are wreaking havoc on consumers, the Department of Energy should be making energy efficiency a top priority. Instead, the federal government's efficiency program is in shambles. This litigation should provide the necessary prod to get these efficiency standards back on track."

The lawsuit was filed in the United States District Court, Southern District of New York. It is available on the New York Attorney General's website at: www.oag.state.ny.us

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DOE ENERGY EFFICIENCY STANDARD VIOLATIONS

| Product Category | First revision due | First revision completed | Second revision due | Second revision completed | Potential Energy Savings Over 25 Years Estimated by DOE (Quads*) |
|---------------------------------------------------------|------------------------------------------------|------------------------------------------|-------------------------------------------------|---------------------------------|---------------------------------------------------------------------------|
| Room air conditioners | Jan. 1992 | Sept. 1997 | Sept. 2002 | OVERDUE | 0.8 - 1.5 |
| Central air conditioners and heat pumps | Jan. 1994 | Jan. 2001 | Jan. 2001 | OVERDUE | no estimate |
| Water heaters | Jan. 1992 | Jan. 2001 | Jan. 2000 | OVERDUE | no estimate |
| Pool heaters | Jan. 1992 | OVERDUE | Jan. 2000 | OVERDUE | 0.3 - 0.6 |
| Direct heating cquipment | Jan. 1992 | OVERDUE | Jan, 2000 | OVERDUE | 0.2 |
| Furnaces and boilers | Jan. 1994 | OVERDUE | Jan. 2007 | Not yet duc | 1.8 - 21 |
| Small furnaces | Jan. 1989 | 1990 | Jan. 1994 | OVERDUE | included in above |
| Mobile home furnaces | Jan. 1992 | OVERDUE | Jan. 1994 | OVERDUE | included in above |
| Dishwashers | Jan. 1990 | May 1991 | May 1996 | OVERDUE | 0.5 - 2.2 |
| Clothes dryers | Jan. 1990 | May 1991 | May 1996 | OVERDUE | 0.06 - 4.8 |
| Fluorescent lamp ballasts | Jan. 1992 | Sept. 2000 | Sept. 2005 | OVERDUE | No estimate |
| Ranges and ovens | Jan. 1992 | OVERDUE (for gas cooking products) | Jan. 1997 | OVERDUE | 2.7 |
| Fluorescent lamps | April 1997 | OVERDUE | April 2002 | OVERDUE | 0.47 |
| Incandescent reflector lamps | April 1997 | OVERDUE | April 2002 | OVERDUE | 0.1 - 1.6 |
| Additional Fluorescent and Incandescent Lamps | Nov. 1997 | OVERDUE | April 2002 | OVERDUE | 0.9 - 10 |
| Packaged terminal air-conditioners and heat pumps | Triggered by Oct. 1999 revision to ASHRAE 90.1 | OVERDUE | Triggered by next revision to ASHRAE 90.1 | Not yet due | 0.6 |
| Packaged boilers | Triggered by Oct. 1999 revision to ASHRAE 90.1 | OVERDUE | Triggered by next revision to ASHRAE 90.1 | Not yet due | 0.28 |
| Instantaneous water heaters | Triggered by Oct. 1999 revision to ASHRAE 90.1 | OVERDUE | Triggered by next revision to ASHRAE 90.1 | Not yet due | 0.1 |
| Motors (1 to 200 hp) | Oct. 1999/ Oct. 2001 | OVERDUE | Oct. 2004/ Oct. 2006 | OVERDUE | 1.28 |
| High intensity discharge (HID) lamps | Testing procedure duc April 1995 | OVERDUE | Standard due Oct. 1996 | OVERDUE | 0.5 |
| Electric distribution transformers | Testing procedure duc April 1995 | OVERDUE | Standard due Oct. 1996 | OVERDUE | 4.63 - 12.16 |
| Small motors | Testing procedure due April 1995 | OVERDUE | Standard due Oct. 1996 | OVERDUE | 0.2 - 1.2 |

TOTAL ENERGY SAVINGS OVER 25 YEARS:

15.42 - 61.19 QUADs

TOTAL ENERGY CONSUMPTION BY U.S. RESIDENTIAL SECTOR (2002): 20.9 QUADS

* One quad equals one quadrillion (1,000,000,000,000,000) British Thermal Units (BTUs). In 2002, the average household in the United States consumed about 198 million BTUs per year.